CLAIM AMENDMENTS:

The following listing of claims will replace all prior versions and listings of claims in the application:

1. (Currently Amended) A method for inserting targeted advertisements into a media delivery stream during broadcast media programming, the method comprising:

receiving and storing at a media delivery device a plurality of targeted advertisements, wherein the plurality of targeted advertisements are selected for transmission to the media delivery device by a transmitting entity based on user data associated with the media delivery device;

receiving and storing at the media delivery device data representing a set of characteristics associated with each of the plurality of targeted advertisements;

receiving a signal at the media delivery device authorizing insertion of an advertisement into the media delivery stream during broadcast media programming, wherein the signal is sent with the broadcast media programming, and wherein the signal includes selection data specifying an allowable type of the advertisement that is authorized to be inserted into the media delivery stream;

identifying a set of allowable advertisements from among the plurality of targeted advertisements by searching the data representing the set of characteristics associated with each of the plurality of targeted advertisements using the selection data, wherein the set of allowable advertisements includes advertisements that are of the allowable type;

selecting a particular advertisement from the set of allowable advertisements to be inserted into the media delivery stream by applying a weighting to at least one characteristic of each of the allowable advertisements of the set of allowable advertisements and comparing at least one weighted characteristic of each of the allowable advertisements, wherein the at least one weighted characteristic includes at least ~~past usage of~~ a time that a particular targeted advertisement was last played by the media delivery device; and

inserting the particular selected advertisement into the media delivery stream.

2. (Previously Presented) The method of claim 1, wherein the targeted advertisements are television commercials.

3. (Previously Presented) The method of claim 2, wherein the media delivery device is a set top box for receiving broadcast signals for a cable or satellite television network system.

4 - 7. (Cancelled).

8. (Previously Presented) The method of claim 3, wherein the plurality of targeted advertisements are received by the media delivery device as encoded data files through a telecommunications link to an external database of advertisements.

9. (Previously Presented) The method of claim 1, further comprising:
transmitting signals between the media delivery device and an external network, the
signals including the user data associated with the media delivery device, wherein
the user data indicates types of advertisements that appeal to users of the media
delivery device.

10 - 23. (Cancelled).

24. (Currently Amended) A computer readable medium containing instructions for performing acts when executed on a computing device, the acts comprising:

receiving at a media delivery device a plurality of advertisements;

storing at the media delivery device a plurality of targeted advertisements of the plurality of advertisements, wherein the plurality of targeted advertisements are selected based on user data associated with the media delivery device;

receiving and storing at the media delivery device data representing a set of characteristics associated with each of the plurality of targeted advertisements;

receiving a signal at the media delivery device authorizing insertion of an advertisement into a media delivery stream during broadcast media programming, wherein the signal is sent with the broadcast media programming, and wherein the signal includes selection data specifying an allowable type of the advertisement that is authorized to be inserted into the media delivery stream;

identifying a set of allowable advertisements from among the plurality of targeted advertisements by searching the data representing the set of characteristics associated with each of the plurality of targeted advertisements using the selection data, wherein the set of allowable advertisements includes advertisements that are of the allowable type;

selecting a particular advertisement from the set of allowable advertisements to be inserted into the media delivery stream by applying a weighting to at least one characteristic of each of the allowable advertisements of the set of allowable advertisements and comparing weighted characteristics of each of the allowable advertisements, wherein the weighted characteristics include at least past usage of a time that a particular targeted advertisement was last played by the media delivery device; and

inserting the particular selected advertisement into the media delivery stream.

25 - 30. (Cancelled).

31. (Currently Amended) The computer readable medium of claim 24, wherein the weighted characteristics of each of the allowable advertisements that are compared further include ~~one or more of:~~ a contract condition associated with each of the allowable advertisements[[;]], a type of product advertised[[;]], and a relative pricing of the product advertised.

32. (Previously Presented) The method of claim 1, wherein the set of characteristics associated with each of the plurality of advertisements comprises a content type field and wherein identifying the set of allowable advertisements comprises applying a bit mask to the content type field of each of the plurality of targeted advertisements to identify allowable advertisements from a hierarchy of categories, wherein general category types are masked with high order bits and more specific category types are masked with low order bits.

33. (Previously Presented) The computer readable medium of claim 24, wherein the set of characteristics associated with each of the plurality of advertisements comprises a content type field and wherein identifying the set of allowable advertisements comprises applying a bit mask to the content type field of each of the targeted advertisements to identify allowable advertisements from a hierarchy of categories, wherein general category types are masked with high order bits and more specific category types are masked with low order bits.

34. (Previously Presented) The method of claim 1, wherein the set of characteristics includes information categorizing each of the plurality of targeted advertisements within a hierarchy of categories.

35. (Previously Presented) The method of claim 34, wherein the selection data further includes categorization data designating a location in the hierarchy of categories, wherein the particular selected advertisement includes a closest advertisement in the hierarchy of categories to the designated location.

36. (Previously Presented) The method of claim 1, further comprising:

gathering the user data at the media delivery device; and

sending the user data and a unique identifier of the media delivery device to a

transmitting entity.

37. (Previously Presented) The method of claim 1, further comprising:

gathering the user data at the media delivery device;

determining, based on the user data, whether a particular targeted advertisement of the

plurality of targeted advertisements is ineffective; and

deleting the particular advertisement from the media delivery device when the particular

advertisement is determined to be ineffective.

38. (Previously Presented) The method of claim 1, wherein the weighted characteristics further include a frequency at which a particular targeted advertisement of the plurality of targeted advertisements has been inserted into the media stream.

39. (Previously Presented) The method of claim 1, wherein the weighted characteristics further include an amount to be paid by an advertiser.

40. (Previously Presented) The method of claim 1, wherein the weighted characteristics further include an expiration date of a contract with an advertiser.

41. (Previously Presented) The method of claim 1, wherein the weighted characteristics further include a correlation between a product associated with an advertisement and subject matter of a television program of the media delivery stream.

42. (Previously Presented) The method of claim 1, wherein the selection data further specifies one or more restricted types of advertisements, and wherein the method further includes excluding advertisements of the restricted types from the set of allowable advertisements before selecting the particular advertisement to be inserted into the media delivery stream.

43. (Previously Presented) The method of claim 1, wherein the selection data further specifies one or more prohibited sponsors of advertisements, and wherein the method further includes excluding advertisements associated with the one or more prohibited sponsors from the set of allowable advertisements before selecting the particular advertisement to be inserted into the media delivery stream.

44. (Currently Amended) A media delivery device comprising:

a network interface to receive a plurality of advertisements;

a memory to store a plurality of targeted advertisements that are selected as targeted advertisements based on user data associated with the media delivery device and to store data representing a set of characteristics associated with each of the plurality of targeted advertisements; and

a processor coupled to the network interface and to the memory, the processor adapted to:

detect a signal authorizing insertion of an advertisement into a media delivery stream during broadcast media programming, wherein the signal is sent with the broadcast media programming, and wherein the signal includes selection data specifying an allowable type of the advertisement that is authorized to be inserted into the media delivery stream;

identify a set of allowable advertisements from among the plurality of targeted advertisements by searching the data representing the set of characteristics associated with each of the plurality of targeted advertisements using the selection data, wherein the set of allowable advertisements include advertisements that are of the allowable type;

select a particular advertisement from the set of allowable advertisements to be inserted into the media delivery stream by applying a weighting to at least one characteristic of each of the allowable advertisements of the set of allowable advertisements and comparing weighted characteristics of each of the allowable advertisements, wherein the weighted characteristics include at least ~~past usage of a particluar~~ a time that a particular targeted advertisement ~~was last played~~ by the media delivery device; and

insert the particular selected advertisement into the media delivery stream.

45. (Previously Presented) The media delivery device of claim 44, wherein the plurality of advertisements received by the network interface include the targeted advertisements selected based on the user data associated with the media delivery device and one or more additional advertisements that are not targeted advertisements, and wherein the processor is further adapted to:

> determine whether a particular advertisement received is a targeted advertisement based on the user data;
>
> search the memory to determine whether the particular advertisement is already saved in the memory when the particular advertisement is a targeted advertisement; and
>
> save the particular advertisement at the memory when the particular advertisement is not already saved in the memory, and not save the particular advertisement when the particular advertisement is already saved in the memory.